

**TECHNOLOGY TRANSFER THROUGH
FOREIGN DIRECT INVESTMENTS IN
ELECTRONICS MANUFACTURING INDUSTRY
IN
SRI LANKA**

By

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Abstract

Being understood the global interest on achieving competitiveness and development through technology; developing countries like Sri Lanka encourage International Technology Transfer through possible methods such as Foreign Direct Investments (FDI). Studying the technology transferred and capability building in the firms established as FDIs in electronics manufacturing industry is the scope of this research. The objectives of the study are: To identify the technology transferred at component level to selected FDI companies in the electronic manufacturing industry; To analyze technological capability levels of the organization; To analyze the perspectives of the company owners and local staff on Board of Investment (BOI) policies with regard to support given to Technology Transfer; To develop corporate stories on selected companies. Models used to evaluate and achieve above objectives are Ramanathan K. 1994 the polytrophic components of manufacturing process technology model, Ramanathan K., 2000 product technology in information context model and Panda, H. and Ramanathan, K, 1996 model of technological capabilities and supportive steering capabilities. The research is a combination of an empirical and scientific base in which the data were collected from FDIs in Electronics manufacturing industry. These companies are listed in BOI as electrical and electronics manufacturers and are members of Sri Lanka Electronics Manufacturers' and Exporters' Association (SLEMEA). A questionnaire and structured interviews were used to collect data from population of 11 companies. 8 companies responded to the survey. Interviews used to get data on BOI policies and schemes from BOI officers. Secondary data sources were BOI and National Science and Technology Commission (NASTEC) publications. A formal statistical analysis was performed on data collected using MINITAB 14, consisted of three parts: Analysis of Variance (ANOVA), Mean Comparison and Linear Regression analysis. Main findings of this study are; Product Technology components transferred are significantly lower than all the Process Technology components. There's no larger difference in transferred Process Technology components, but Technoware become the most transferred component. Production capabilities are significantly larger than all other types of capabilities except Acquiring capabilities. Even though electronics industry is given the highest priority under the Thrust Industry Scheme under which the "best incentive package" under the BOI Law has been accorded, these incentives do not necessarily help to get